

DEPARTMENT OF COMMERCE

COMMERCE AND WORKFORCE SERVICES APPROPRIATIONS SUBCOMMITTEE

BUDGET BRIEF

**SUMMARY**

The Utah Department of Commerce is the licensing and registration agency for Utah’s professional and corporate community. Business registrations, professional licensing, consumer protection and education, oversight of public utilities and monitoring real estate and securities industries are all department responsibilities.

**ISSUES AND RECOMMENDATIONS**

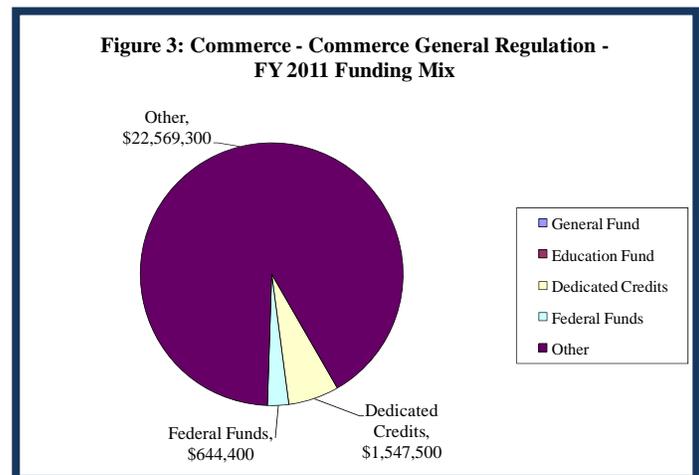
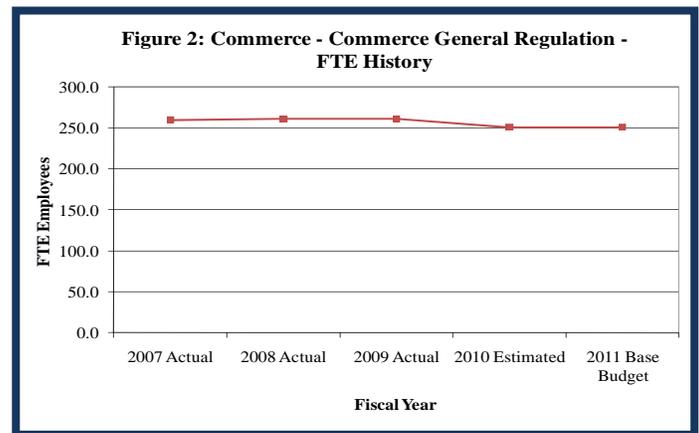
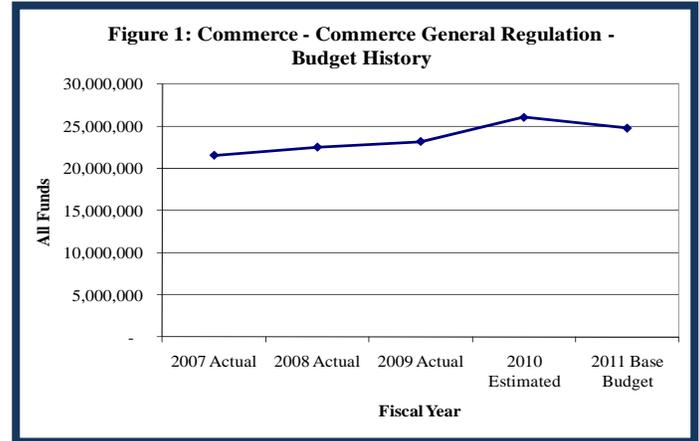
The Executive Appropriations Committee (EAC) has made base budget allocations to the various appropriations subcommittees, reflects the allocation for the Department of Commerce, but does not include funding for the recommendations presented in this brief or other budget priorities the subcommittee may wish to consider.

The co-chairs of the EAC recommend that the subcommittee complete the following tasks: review agency base budgets; reallocate revenue where possible within the base budget to meet new subcommittee budget priorities; and, develop a priority list, to be submitted to the EAC, of new budget priorities not completed through budgetary reallocations.

**Issue Briefs**

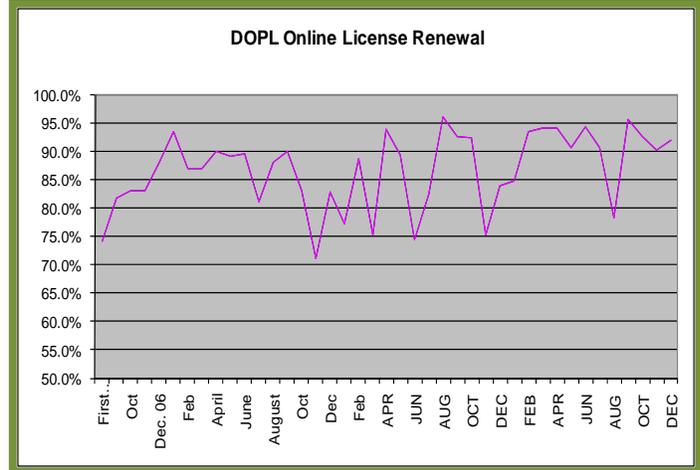
Several Issue Briefs provide the subcommittee with additional information on FY 2011 Commerce budget issues. Please refer to these Issue Briefs for additional information on the following topics:

- Commerce Fee provides information on the proposed FY 2011 fee schedule.
- Federal Funds provides information on all federal funds received.

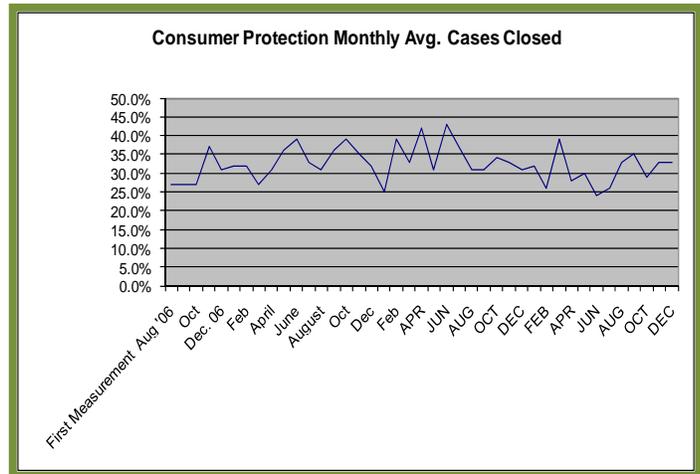


**Performance measures**

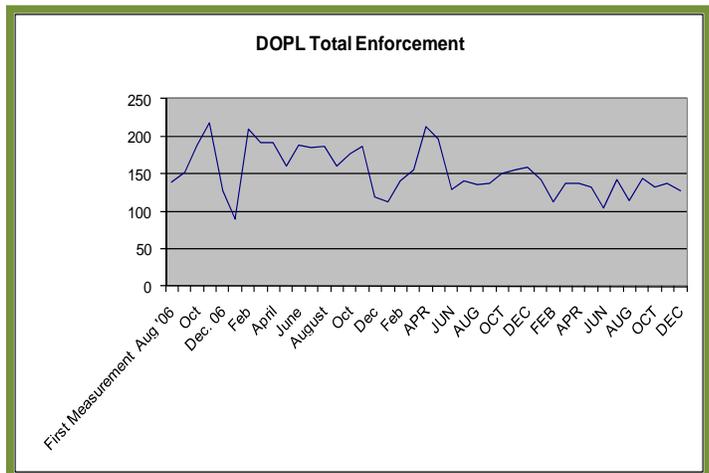
**DOPL Online License Renewal-Timeliness** is a benchmark goal of all licensing within the Department of Commerce. The monthly goal of 80% of DOPL licenses renewed online helps both individual licensees and the market as a whole to remain efficient and effective.



**Consumer Protection Monthly Average Cases Closed-Enforcement** is the mechanism through which the Department protects the public and the integrity of the business and professional communities. This Division has a target of between 27%-43% of cases closed. A prompt response to a complaint is beneficial to those who file complaints as well as the business against which the complaints are filed.



**DOPL Total Enforcement**-The Division of Occupational and Professional Licensing maintains an internal measure of enforcing at least 135 cases per month.



**FY 2010 and FY 2011 Agency Budget Requests**

The analyst recommends that the committee consider an increase of \$400,000 for electronic payment fees with \$400,000 of restricted funds. Without these funds the Department of Commerce cannot continue to adequately fund online payments for licensure renewals and other online filings.

***Intent Language***

*The Legislature intends that, at the end of the fiscal year, unused funds for the Committee of Consumer Services lapse to the Committee's Professional and Technical Services Fund.*

*It is the intent of the Legislature that the Professional and Technical funds for the Committee of Consumer Services be nonlapsing.*

*The Legislature intends that, at the end of the fiscal year, unused funds for the Division of Public Utilities lapse to the Professional and Technical Services Fund.*

*It is the intent of the Legislature that the Professional and Technical funds for the Division of Public Utilities be nonlapsing.*

**Reductions**

As part of the FY 2011 budget discussion the Department was asked to put together a list of potential 5% reductions, they are listed below:

1. Department of Securities-Education Fund-\$200,000
2. Construction Trades Administrator-1 FTE Reduction-\$104,000
3. Division of Consumer Protection-Pawn Broker Operations-\$68,800
4. Factory Built Housing-Reduce Continuing Education Funding-\$26,500
5. Position Attrition and Retirement Savings-\$200,200
6. Property Rights Ombudsman Attorney-\$96,000
7. Two Department Secretaries-\$102,000

**BUDGET DETAIL**

The Department of Commerce receives the majority of its revenue from Commerce Service Restricted Funds. The total budget for Department of Commerce totals \$26.9 million.

<b>Commerce</b>						
<b>Sources of Finance</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2010</b>	<b>FY 2010</b>	<b>FY 2011*</b>	
	<b>Actual</b>	<b>Appropriated</b>	<b>Changes</b>	<b>Revised</b>	<b>Changes</b>	<b>Base Budget</b>
General Fund	0	0	0	0	0	0
Federal Funds	264,500	246,200	398,200	644,400	0	644,400
Dedicated Credits Revenue	678,600	1,547,500	0	1,547,500	0	1,547,500
GFR - Commerce Service	18,549,400	17,934,000	190,900	18,124,900	(190,900)	17,934,000
GFR - Commerce Service, One-time	0	41,900	(41,900)	0	0	0
GFR - CSF - PURF	5,024,700	5,072,900	0	5,072,900	0	5,072,900
<b>Total</b>	<b>\$23,920,500</b>	<b>\$26,466,200</b>	<b>\$1,623,300</b>	<b>\$28,089,500</b>	<b>(\$1,138,300)</b>	<b>\$26,951,200</b>
<b>Line Items</b>						
Commerce General Regulation	23,181,000	24,916,100	1,131,500	26,047,600	(1,286,400)	24,761,200
Public Utilities Professional & Technical Servi	393,400	550,000	391,900	941,900	(341,900)	600,000
Committee of Consumer Services Professional	346,100	1,000,100	99,900	1,100,000	490,000	1,590,000
<b>Total</b>	<b>\$23,920,500</b>	<b>\$26,466,200</b>	<b>\$1,623,300</b>	<b>\$28,089,500</b>	<b>(\$1,138,300)</b>	<b>\$26,951,200</b>
<b>Categories of Expenditure</b>						
Personnel Services	17,177,000	18,719,200	(1,252,200)	17,467,000	(183,200)	17,283,800
In-state Travel	88,500	104,000	(17,000)	87,000	0	87,000
Out-of-state Travel	49,000	1,138,000	(968,000)	170,000	490,000	660,000
Current Expense	4,786,700	5,054,300	2,475,200	7,529,500	(924,000)	6,605,500
DP Current Expense	1,663,200	1,320,700	1,465,300	2,786,000	(521,100)	2,264,900
DP Capital Outlay	56,800	0	0	0	0	0
<b>Total</b>	<b>\$23,920,500</b>	<b>\$26,466,200</b>	<b>\$1,623,300</b>	<b>\$28,089,500</b>	<b>(\$1,138,300)</b>	<b>\$26,951,200</b>
<b>Other Data</b>						
Budgeted FTE	261.0	261.0	(11.0)	250.0	0.0	250.0

**LEGISLATIVE ACTION**

This section summarizes what actions might be taken if the Legislature wishes to adopt the recommendations presented in this brief. The Analyst recommends that the Legislature consider:

1. Adopt the base budget amount of \$26.9 million for the Department of Commerce.
2. Consider the budget issues raised in the Issue Briefs mentioned in this brief. The subcommittee may wish to include these items in its prioritized recommendations to the executive committee.
3. Adopt the proposed intent language presented in this budget brief.